

ATTACHMENT “A”

BEST AND FINAL OFFER TERM SHEET

Directions: This is a two-part Best and Final Offer Term Sheet. You must complete **Sections I** and **II**, signing each section where indicated. Section II must be submitted together with the relevant financial information in a sealed envelope. The sealed envelope and the materials in the envelope should be marked ***CONFIDENTIAL – FINANCIAL TERMS***.

SECTION I DEVELOPMENT PLAN		
TERM	COUNTY VISION	PROPOSER’S RESPONSE
I-1 Development Concept:	<p>The vision for the redevelopment of the Coliseum Site is for a transformation of the site into an attractive multiple-use destination center consistent with the County’s vision for New Suburbia and with the following principal goals:</p> <ul style="list-style-type: none"> (i) the renovation or replacement of the Coliseum building into a state-of-the-art, world-class sports and entertainment facility at no cost to the County; (ii) the extension of the Islanders’ agreement or an agreement with a comparable professional sports franchise; (iii) the use of structured parking adjacent to the Coliseum building to free up land for other development; (iv) the creation of a mixed-use, commercial/residential development; (v) the construction of Next Generation Housing; (vi) the expansion of the tax base for Nassau County, the Town of Hempstead and applicable school district(s); and 	<p>The Engel Burman-Kabro ("EBK") team's vision is consistent with that of the County and includes the development of components in accord with the County's vision as stated in this document, including: the creation of a mixed-use, commercial/residential development; the construction of Next Generation Housing; and the expansion of the tax base for Nassau County, the Town of Hempstead and applicable school districts.</p> <p>Our proposal contemplates either: The development of the entire 77-acre site to create an 800-unit, 960,000 sq. ft. residential-condominium complex on the south 40 acres of the site AND the development of 2 million sq. ft. of Class A office space to include a retail component of approximately 100,000 square feet on the remaining 37 acres ("PLAN "A"), OR if the County prefers to assign the renovation or replacement of the Coliseum to another development entity, our proposal envisions the development of a an 800-unit, 960,000 sq. ft. residential-condominium complex to include a retail component on the south 40 acres (PLAN “B”).</p>

	(vii) the enhancement of the Coliseum site with a viable public transportation system connecting the site with the greater area known as the Nassau County Hub; concurrent with positive impacts and relationships on surrounding development and parcels.	
I-2 The Coliseum Site:	Section 44, Block F, Lots 403 and 351 aggregating approximately 77 acres (the “Coliseum Site”). The Coliseum Site is currently comprised of a Coliseum building which hosts the New York Islanders, a National Hockey League team, and is a site for concerts and other entertainment events. The Coliseum is surrounded by surface parking. The County’s concept includes the use of structured parking adjacent to the Coliseum building to free up land for mixed-use, residential/commercial development. Developer should indicate how adjacent sites may relate, complement and enhance redevelopment of the Coliseum Site.	The EBK team is proposing to develop the 77-acre site through the creation of 800 residential-condominium units along with lifestyle-enhancing retail tenants to support the residential community on the south 40 acres AND to develop 2 million sq.ft. of office space on the remaining 37 acres, subject to the County condemning the existing leasehold interest. The development will achieve the County’s goals for creating a “New Suburbia” and provide development consistent with the transit-oriented goals for the region. We firmly believe that this new live-work community will further enhance the County and create value for Long Island generally.
I-3 Disposition Structure	The County will consider a sale or a lease for a term not exceeding 99 years.	Under Plan A, our proposed lease term for the 77 acres shall be as follows: For the south 40 acres earmarked for residential and retail development the lease term shall be 99 years at an annual rate of \$2.4 mm with the option to purchase the fee in four separate stages. The lease term for the remaining 37 acres would be 99 years at an annual rate of \$3.00 mm a year, subject to the SMG lease being terminated for the Coliseum (with the EBK team paying for the demolition of the Coliseum building). Under Plan B, our proposed lease term for the south 40 acres earmarked for residential and retail development shall be 99 years at an annual rate of \$2.4 million with the option to purchase the fee in four separate stages. Under both scenarios, we propose a flat payment for the first 5 years, thereafter going up at a

		minimum yearly escalation rate of 2.5% and a maximum yearly escalation rate of 3.5%, tied to the C.P.I.
I-4 Coliseum Site Development and County Review and Approval	The vision for the redevelopment of the Coliseum Site is for a transformation of the site into an attractive multiple-use destination center consistent with the County's vision for New Suburbia. The County will reserve the right to review and approve developer's site plan attached to the Best and Final Offer and any and all changes to the developer's site plan(s), including those that result from the Town of Hempstead's review and approval process, in each case, essentially to ensure that the plan is consistent with the County's vision for New Suburbia. With respect to the Coliseum building renovation, the County will retain approval rights over the building plans and designs. These County approvals will be in addition to all other requisite approvals, such as those required from the Town of Hempstead.	EBK anticipates working in close collaboration with the County and the Town of Hempstead in the review and approval process for the proposed development. The EBK team's track record in regards to creating well-designed, revenue producing, community supported projects in the Town of Hempstead is second to none.
I-5 Option Period	<p>Developer will be given a 2 year option period, subject to a potential 2 year extension upon County approval, to obtain the required zoning changes, site plan approvals and all other requisite governmental approvals necessary to commence construction, including the requisite environmental review under the State Environmental Quality Review Act ("SEQRA"), as well as to complete its own environmental reviews, apply for state and federal incentives, conduct other due diligence and effectuate the SMG lease termination, amendment, or condemnation to obtain site control. (The original 2 year period, together with any extension, is referred to herein as the "Option Period".)</p> <p>If the purchase does not close, or lease commence, prior to the expiration of the Option Period, the County may terminate the agreement.</p>	It is the firm intent of the EBK team to secure all planning approvals within the time frame envisioned by the county. The development schedule for all of the types of projects to be developed is set with this 2 year option period, understanding that an additional 2 year extension may be necessary.

I-6 Coliseum Renovation	<p>The County recognizes that the level of renovation will be, in part, a function of the commitment of the professional sports franchise to play at the Coliseum building and that the amount and type of Coliseum renovation required will be based on the underlying sports agreement. Based on a minimum extension of the Islanders' agreement to 2025, or an agreement with a comparable professional sports franchise for a similar term, developer will be required to:</p> <ul style="list-style-type: none"> (i) renovate or replace the Coliseum offering a state-of-the art, modern facility in accordance with building plans and specifications approved by and in all respects acceptable to the County, including a financial investment of at least \$150 million (not including parking); (ii) construct adequate on-site, structured parking dedicated to the Coliseum. Developer must indicate the number of on-site, structured parking spaces it proposes; (iii) complete the Coliseum renovations within 3 years after closing or the lease commencement date; (iv) complete the construction of the Coliseum renovation and ancillary parking prior to commencing construction on any non-Coliseum improvements; and (v) provide adequate parking for the Coliseum at all times. <p>Developer must set forth its offer to renovate the Coliseum building, including specific details such as a description of the proposed renovation work and the timeline for construction.</p>	<p>The EBK Team is not proposing to renovate the Coliseum building. If the County should terminate the existing leases we would be responsible for expenses relating to lease condemnation and demolition.</p> <p>The timing of the demolition of the Coliseum is subject to the County condemning the existing lease holds and the commencement of construction.</p> <p>In the event that our Plan B is chosen, the Coliseum would remain at its existing location and some other entity would renovate and maintain the Coliseum as a first class sports and entertainment destination.</p>
I-7 Sports Franchise	<p>Developer will be required to demonstrate to the County that it has obtained an extension of the New York</p>	<p>In the event that our Plan B is chosen, the Coliseum would remain at its existing location and some other</p>

	Islanders’ agreement to play professional hockey at the Coliseum for a term acceptable to the County, or, in lieu thereof, for an agreement with a comparable professional sports franchise(s) acceptable to the County. It is the County’s objective to obtain a long-term (e.g., greater than 10 years) commitment from the Islanders or a comparable professional sports franchise.	entity would renovate and maintain the Coliseum as a first class sports and entertainment destination.
I-8 Reverter/Lease Termination	In the event that the Islanders or another comparable professional sports franchise acceptable to the County ceases to play sporting events at the Coliseum, title to the Coliseum building and land necessary to support the Coliseum building shall, at the option of the County, revert back to the County or the lease of such land shall terminate, as applicable.	Under this scenario, it is understood that the County will make its own deal for the Coliseum.
I-9 Coliseum Operations	Developer will be required to maintain and operate the Coliseum in a first-class manner, maximizing opportunities to host events and generate economic impact for the County. A first class operation requires meeting industry standards for a similarly situated state-of-the-art, multipurpose, professional sports and entertainment arena. The Coliseum building must be used for sporting and entertainment events consistent with those events held at other state-of-the-art arenas.	In the event that our Plan B is chosen, the Coliseum would remain at its existing location and some other entity would renovate and maintain the Coliseum as a first class sports and entertainment destination.
I-10 Next Generation Housing	Developer shall be required to commit to build a minimum of 20% for-sale/rental residential units within the Coliseum Site, which units must be for “Next Generation Housing,” defined as housing that is affordable for a family or individual having an annual income up to 120% of the Area Median Income as defined by the United States Census.	The EBK plan is to exceed this minimum requirement by building 25% of the residential units for "Next Generation Housing". It is to be noted that the EBK team is currently constructing the first Next Generation Housing development in Nassau County in Plainview. The proposed unit-type breakout of our proposed residential development is: 200 work force/Next Generation units; 200 market rate units for individuals age 55 and over and 400 market rate non-age restricted

		units
I-11 Public Transportation	Developer shall be required to provide for public transit access and use at the Site in connection with a future transportation system. Developer must provide for rights-of-way, public access easements and financial investment dedicated to the effective and efficient use of a new transportation system. Please show preliminary transportation features in the conceptual site plan (Attachment “C”). To make this vision a reality, the County wishes to secure a partner committed to development at the Coliseum Site which is supported by a public transportation system servicing both the Coliseum and the greater area known as the Nassau County Hub.	Our development plan will most definitely take into account the desires for all transportation development as requested by the County. We understand this is critical to the County's service to the community as well as critical in creating a successful transit-oriented development project. Please see indications of rights-of-way and public access easements in the attached conceptual site plan. It is our intent that once the transportation system has been developed and proposed by the Country that an investment will be determined and made for the new system.

I-12 Insurance:	Developer, under a lease scenario, will be required to provide property and casualty insurance on the Coliseum and improvements necessary for the operation of the Coliseum and liability insurance on the entire Coliseum Site, all in such amounts, with such companies and pursuant to policies which, in each case, must be acceptable in form and substance to the County.	In the event that our Plan B is chosen, the Coliseum would remain at its existing location and some other entity would renovate and maintain the Coliseum as a first class sports and entertainment destination and be responsible for such insurance provisions.
I-13 Repairs:	Developer shall be responsible, at developer's sole cost and expense, for making all repairs to the Coliseum building and improvements necessary for the operation of the Coliseum building, including repairs resulting from a casualty.	In the event that our Plan B is chosen, the Coliseum would remain at its existing location and some other entity would renovate and maintain the Coliseum and be responsible for its repairs.
I-14 Assignment:	The contract of sale or lease may not be assigned without the County's consent.	We understand and will work in accordance with this point.
I-15 U.S. Green Building Certification	Developer will be required to obtain a "Certified" ranking under the LEED rating system. The entire 77 acre Coliseum site shall be planned, designed and constructed to achieve certification under the Leadership in Energy and Environmental Design for Neighborhood Developments (LEED-ND) Rating System. The development team shall apply for certification under the LEED-ND pilot program.	The EBK team will obtain a "Certified" ranking under the LEED rating system for all development contemplated under our proposal. It would be our intent to engage a highly qualified consultant to work closely with the team and the County to ensure that all aspects of the project and design are planned with this objective.
I-16 Public and Green Space	Developer shall clearly identify all proposed public spaces, including green spaces. Public and green spaces shall be designed to provide first class amenities to the public, with sensitivity to both the adjacent structures and the surrounding community needs.	As in the team members' prior developments, the inclusion of first class public and green spaces is of very high importance for this site. It is a philosophy/approach and intent for this development to be punctuated and anchored by well-planned, designed and sensitively sited public and green spaces.

I-17 Antenna Rights:	County reserves right to use portions of the Coliseum Site or the improvements thereon for operation of telecommunications equipment.	In the event that our Plan B is chosen, the Coliseum would remain at its existing location and some other entity would maintain the Coliseum.
I-18 County Use of Coliseum:	County reserves the right to use Coliseum for County events up to 10 days per year, at no cost to the County other than payment by County of actual expenses, subject to availability.	In the event that our Plan B is chosen, the Coliseum would remain at its existing location and some other entity would maintain the Coliseum.

All principals of the development team must respond to each point above and sign below. These signatures authenticate the response submitted herein and constitute acceptance of the County's process, requests and submission requirements to date regarding proposals for the redevelopment of the Coliseum Site.

BY: _____

NAME: _____

TITLE: _____

DATE: _____

BY: _____

NAME: _____

TITLE: _____

DATE: _____

BY: _____

NAME: _____

TITLE: _____

DATE: _____

BY: _____

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SECTION II FINANCIAL TERMS		
TERM	COUNTY VISION	PROPOSER'S RESPONSE
II-1 Financial Benefits to the County	<p>The County seeks to maximize the payments, economic benefits, and any other return on investment to the County in connection with the disposition of the Coliseum Site. The proposed financial benefits to the County should reflect the level of development shown on developer's site plan and in the development parameters attached to the Best and Final Offer.</p> <p>Developer must provide its best and final offer with respect to the following payments to the County.</p> <p>(a) If the disposition is a lease of the Coliseum Site,</p> <p>(i) Option Period Rent. The County is suggesting a 2 year option period with a potential 2 year extension. Developer must identify when during the Option Period, and in what amount, developer proposes to start making option payments.</p> <p>(ii) Base Rent. Developer must set forth the amount of guaranteed base rent lease payments, as well as the commencement date for such rent, the proposed base rent escalations (<i>e.g.</i>, the type/timing), and the proposed fair market rental resets.</p> <p>(iii) Rent Increases. Developer must set forth its offer to increase the guaranteed base rent if beneficial development (<i>e.g.</i>, greater density) is approved and land value is increased, including any proposed formula for any such increased base rent. If the development plan is based on multi-phase development, developer must set forth its offer to increase the guaranteed base rent or other payment to</p>	

	<p>the County in this instance.</p> <p>(iv) Purchase Option Payments. If there is a purchase option during the lease term, developer must describe the mechanics of this option, including the land to be purchased and the purchase price.</p> <p>(v) Real Estate Taxes. Developer will be expected to pay all real estate taxes on the land and the improvements, except that developer will not pay the County-portion of real estate taxes on the Coliseum building itself.</p> <p>(vi) Utilities. Developer will be solely responsible. Developer agrees to purchase any hot and chilled water, and steam, that the County obtains from Trigen.</p> <p>(b) If the disposition is a fee simple transfer of the Coliseum Site, developer must identify the proposed purchase price to be paid to the County, together with the proposed payment terms. The purchase price should be based upon “as is” physical condition of the property, and should assume that the approvals for the developer’s proposed development shall have been granted. Please provide any alternatives that would be applicable in the event of changes during the approval process.</p>	
II-2 Coliseum Renovation	Developer must set forth the total cost of renovations to the Coliseum building and parking, including specific details on the breakdown of expenses.	
II-3 Revenue Sharing	The County seeks revenue sharing opportunities with respect to the operations at the Coliseum, including ticket sales, luxury boxes, club seats, concessions, franchises, naming rights, broadcast rights and parking. Please set forth your offer to provide the County with revenue-sharing opportunities from operations at the Coliseum	

	building.	
II-4 SMG Lease Buyout / Condemnation	Developer will be required to terminate or amend the SMG lease to obtain site control. This may be accomplished through mutual agreement or condemnation, in either case, at developer's sole cost and expense. Developer must identify the preferred course of action and set forth estimated expenses associated with that course of action.	
II-5 Public Transportation	Developer must set forth its offer of financial support for public transportation improvements.	
II-6 Financing Plan	<p>The developer must provide to the County its financing plan which must be satisfactory to the County (in consultation with its advisors) in all respects.</p> <p>This financing plan should include all information required to provide the County sufficient data to evidence that the proposed development can be financed, constructed, and delivered in a timely fashion. The financing plan should contain the following:</p> <ol style="list-style-type: none"> 1. Development schedule and budget; 2. Sources and uses statement; <ul style="list-style-type: none"> • Sources, amounts, terms and conditions of financing and developer's equity; and • Breakdown of uses of funds in the project, including an itemized list of all costs associated with the improvements of the Site. 3. Evidence of financing consistent with sources and uses statement; 4. Evidence of financial capacity of lenders and equity sources; 	

	<p>5. Identity and financial capacity of guarantor to guaranty lien-free completion of the project</p> <p>At the County's request, developer will submit a supplemental financing plan setting forth such information as County (in consultation with its advisors) deems, in the exercise of its sole discretion, helpful or relevant in evaluating developer or any aspect of its proposal and indicating any and all changes from any initial financing plan.</p>	
II-7 Completion Guaranty:	<p>Developer shall be required to deliver to the County a guaranty of the lien-free completion of the Coliseum renovation (including all improvements necessary for the operation of the Coliseum) in accordance with applicable law, and all other improvements proposed to be completed on the balance of the Coliseum Site, together with bonds, security deposits and/or other security acceptable to the County. All guaranties must be executed by entities and/or individuals whose financial capability shall have been demonstrated to the County's satisfaction. Please describe the amounts and various types of security instruments that are being offered to guaranty performance and completion.</p>	
II-8 Costs and Expenses	<p>The developer shall be solely responsible for the following costs and expenses:</p> <ul style="list-style-type: none"> (i) to the extent applicable, New York State real property transfer and conveyance taxes; (ii) recordation fees with respect to any recordable instruments contemplated by the documents, such as a lease or contract of sale, which shall govern the disposition of the Coliseum Site; and (iii) the cost of any surveys desired by the Developer. 	

	<p>In addition, the Developer shall also be responsible for payment of the following costs and expenses of the County in connection with this disposition, the negotiation and drafting of the contract of sale/lease and related documents, and the closing of any transactions relating to the disposition of the Coliseum: fees and disbursements of outside counsel, engineers, appraisers, consultants, and financial and real estate advisors retained by the County.</p> <p>Disposition of the Site will trigger the need for an environmental review(s), including review under SEQRA. The Developer will fully compensate the responsible governmental unit or units for all costs and expenses associated with compliance with applicable environmental laws and regulations, including but not limited to the cost and expenses of preparing any and all reports, analysis, and documentation; public notifications, outreach, meetings, and hearings; and the procurement of environmental consultants and counsel as may be required.</p>	
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